



THE CITY OF SAN DIEGO **MANAGER'S REPORT**

DATE ISSUED: June 15, 2001

REPORT NO. 01-131

ATTENTION: Rules Committee
Agenda of June 20, 2001

SUBJECT: City of San Diego Taxicab Permit Policy

REFERENCE: City Manager's Report Nos. 98-179, 99-83 and 01-050

SUMMARY

Issues -

1. Should the City adopt changes to its existing Council Policy 500-02 "Taxicab Permits" to:
 - a. Issue additional taxicab permits?
 - b. Modify the method of permit issuance?
 - c. Limit transferability of taxicab permits?
2. Should the City adopt a framework to implement the amended taxicab policy?
3. As part of the framework for implementing the amended taxicab policy, should the City Council adopt provisions relating to:
 - a. Selection Committee members administering the Request For Proposal (RFP) process of permit issuance?
 - b. Applying and awarding restrictions of permits to be issued through the RFP process?
 - c. RFP proposal requirements and proposal evaluation criteria?
 - d. Eligibility to enter RFP for individual drivers and criteria for selection?
 - e. Eligibility to enter lottery process and awarding restrictions?
 - f. Eligibility to submit bids on auctioned permits and awarding restrictions?
 - g. Revenue from auctioned permits?
 - h. Factors to be used in the formula for issuing permits and a threshold for permit issuance?
 - i. Transferability of auctioned permits?

Manager's Recommendations -

1. Adopt changes to Council Policy 500-02 "Taxicab Permits" to:
 - a. Issue additional taxicab permits using a formula. The formula should be based on percent increases in population and visitation to the City, military population, and transit ridership.
 - b. Issue 50% of the new permits via a RFP process, 25% of new permits via a lottery and 25% via a public auction.
 - c. Designate new permits to be transferable five years after issuance, and maintain status quo on transferability of existing permits.
2. Adopt a framework to implement the amended taxicab policy that addresses processes used to issue taxicab permits, periodic issuance of permits using a formula, a transitional period, and transferability.
3. Refer to Attachment C for Manager's Recommendation on these issues

Other Recommendations - None

Fiscal Impact - None

BACKGROUND

In 1984, the City Council adopted a policy that capped the number of taxicab permit at 928. Due to attrition, the number of permits has fallen to 870 active permits, thus, resulting in 58 (928 – 870) permits becoming unassigned. About three years ago a group of taxi drivers inquired about the process for obtaining some of the 58 unassigned permits. The current policy is silent as to what to do with permits that become unassigned.

In September 1998, the City Manager made recommendations to the City Council concerning revisions to the policy. The Mayor subsequently appointed a Taxicab Task Force to make recommendations concerning the number of taxicab permits needed and to consider the fairest way to issue permits. The City Council reviewed the Task Force recommendations at its meeting on September 28, 1999. Subsequently, the City Council directed the City Manager to hire a consultant to conduct a study and make recommendations as to the number of permits needed, how these permits should be distributed, look at the issue of transferability, and look at what other cities are doing in this area. The City retained the consultant services of Schaller Consulting (Consultant) in association with the Institute for Transportation Research and Education at North Carolina State University to conduct the study.

At the March 21, 2001 meeting of the Rules Committee, the Consultant presented his findings, conclusions and recommendations. Due to extensive public input and complexity of the issues, this item was continued to the April 20, 2001 meeting. At the April 20, 2001 meeting,

Councilmembers Toni Atkins and Byron Wear presented a proposal (referred to hereinafter as Wear-Atkins proposal) to issue 210 additional permits using RFP, lottery and auction processes. Attachment A is a copy of the Wear-Atkins proposal. Staff was directed to amend the Council Policy on taxicab permits to reflect this proposal and develop a framework for its implementation.

DISCUSSION

At the direction of the Rules Committee, Council Policy 500-02, "Taxicab Permits" has been amended as shown in Attachment B to reflect the following:

2. The use of a formula to issue additional permits – Factors used in the formula include:
 - Population and visitation to the City
 - Military population, and
 - Transit ridership
2. The processes of permit issuance – RFP, lottery and auction.
3. A transitional period – During this period, 210 additional permits would be issued.
4. Transferability of new permits – All new permits to be transferable five years after issuance.

The framework for implementing the aforementioned Council Policy has been developed as a collaborative effort of an ad-hoc group comprised of City and Metropolitan Transit Development Board's staffs; Steve Russell of City Council District Three; Francine Phillips of City Council District Two; Bill Baber of the Mayor's Office; and members of the taxi industry including permit holders, drivers and managers. The ad-hoc group held two meetings that culminated with the development of implementation guidelines that address four areas:

2. The processes for issuing taxicab permits
3. The formula
4. The transitional period
5. Transferability of new permits

It should be noted that at the conclusion of the ad-hoc group meetings, members of the taxi industry agreed that the processes for issuing additional permits provide opportunities to all segments of the taxi industry to grow its businesses.

During the course of developing the implementation guidelines, additional issues were identified that require a policy decision. Attachment C contains the proposed implementation guidelines

along with relevant issues that require further City Council action, staff recommendations and comments received from the taxi industry.

ALTERNATIVE

Do not adopt the aforementioned changes to Council Policy 500-02 “Taxicab Permits.” This is not recommended because these changes are needed to enable the taxi industry to adequately serve residents and visitors to the City.

Respectfully submitted,

D. Cruz Gonzalez
Director, Transportation Department

Approved: George I. Loveland
Senior Deputy City Manager

LOVELAND/HOLDEN

Attachments: A. Wear-Atkins Proposal
B. Draft Amendment to Council Policy 500-02 “Taxicab Permits”
C. Implementation Guidelines of amended Council Policy 500-02